

Residential Child Care Program

Department of Health and Social Services - Program 17

I. PROGRAM OBJECTIVES

The objective of this program is to purchase emergency shelter care and residential treatment services for minors for whom the state has assumed responsibility under AS 47.10 – 47.12.

II. PROGRAM PROCEDURES

Public funds are appropriated annually to the Department of Health and Social Services, Division of Family and Youth Services. Grants are administered in accordance with the provisions of 7 AAC 50, Children's Services. The source of funds may be Federal as well as State general funds. Appropriated grant funds are distributed by the grant process to non-profit or local governmental agencies. Grants are awarded for a specific number of beds for a specific type of program service in a specific geographic area. **Federal Medicaid funds are used to provide Behavioral Rehabilitative Services through a majority of the programs. These funds are reimbursed to the programs based on the occupancy of purchased beds in a reporting period.**

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

Under AS 47.40.011, Purchase of Services, the Department purchases residential services for minors for whom the State has assumed responsibility under AS 47.10 – 47.12. These services, which include day treatment, emergency shelter care, specialized treatment, [and] staff secure residential treatment, **and behavioral rehabilitative services** are purchased **or reimbursed** under grants to local governments or non-profit corporations.

Suggested Audit Procedures

Review:

1. Contract or final Notification of Grant Award (NGA) including all conditions;
2. Grant/contract revisions and related transmittal letters;

3. Licenses, certifications, approvals, status of private non-profit corporation, if applicable;
4. Budget documents including final revised budget and budget narrative.
5. **Attendance sheets for each facility.**

Test financial and related records and determine that funds expended were for purposes specified in the grant/contract.

Compliance Requirement

Costs allowed or unallowed under this program are specified by grant regulations 7 AAC **53.900** [50.931] - 7 AAC **53**[50].999 and 7 AAC 78 as well as contract or budget document and special conditions.

Suggested Audit Procedures

- Review Department of Health and Social Services' grant regulations 7 AAC **53**[50], 7 AAC 78, and budget documents.
- Test financial and related records to determine the appropriateness of costs per 7 AAC **53.900** [50.931] - 7 AAC **53**[50].999, and 7 AAC 78, and determine whether expenditures are within the budget limits prescribed by 7 AAC **53.900**[50.931] - 7 AAC **53**[50].999, and 7 AAC 78.260(e)(1).

Compliance Requirement

Medicaid Services reported and reimbursed under this program are specified by grant regulations 7AAC 43.484-7AAC 43.488, 7 AAC 43.500-7 AAC 43.530, 7 AAC 43.725- 7 AAC 43.728, 7 AAC 43.734 - 7 AAC 43.739, 7 AAC 43,470 - 7 AAC 43.480, and 7 AAC 43.452.

Suggested Audit Procedures

- **Review Department of Health and Social Services' Mental Health regulations 7AAC 43.484-7AAC 43.488, 7 AAC 43.500-7 AAC 43.530, 7 AAC 43.725- 7 AAC 43.728, 7 AAC 43.734 - 7 AAC 43.739, 7 AAC 43,470 - 7 AAC 43.480, and 7 AAC 43.452.**
- **Test attendance and client records to determine the appropriate and timely documentation exists to support Behavioral Rehabilitative Services reported to the Division. Test for these items documented in the individual client files: proof of prior authorization, initial clinical assessment and treatment plan once the child is admitted, daily progress notes documenting the delivery**

of service per the treatment plan, quarterly review process and aftercare plan.

B. ELIGIBILITY

Compliance Requirement

The recipient must be a non-profit organization or a political subdivision meeting the requirements of 7 AAC 78.030. **The programs are all required to be Medicaid Providers under the state DMA system.**

Suggested Audit Procedure

- Review articles of incorporation or other appropriate documents, licenses, certifications, and approvals, to determine status of agency.
- **Review for Medicaid provider number or application in process.**

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

Compliance Requirement

None, unless specified in the appropriate legislation or grant/contract documents.

D. REPORTING REQUIREMENTS

Compliance Requirement

The agency must submit quarterly activity and expenditure reports no later than fifteen working days after the close of each quarter and a final expenditure report within 45 days of the last day of the grant year. Also, a facility report is required to be submitted within 10 working days after the last day of each month. **The agency must also submit their Attendance Reports within the fifteen working days of the following month.**

Suggested Audit Procedures

- Confirm if such reports are being filed timely;
- **Confirm that attendance reports have been filed in a timely manner;**
- That reported revenues and expenditures agree with the agency's general ledger; and
- That expenditures are within the budget limits or contract provisions.

Compliance Requirement

Agency Audited Financial Statements must present a statement of revenue and expenditures for each state grant/contract. Such statements must show, for each state fiscal year grant, the final approved budget by line

item category, actual revenues and expenditures and variance between budget and actual revenues and expenditures. Disallowed or questioned costs must be clearly disclosed.

Suggested Audit Procedure

- Review audited financial statements for compliance with above.

Compliance Requirement

The agency must clearly show on their audited financial statement any outstanding liability to the State as payable to the State. This includes unspent grant funds or disallowed costs.

Suggested Audit Procedures

- Determine whether or not the agency has any outstanding liability to the State.
- Review audited financial statements to ensure proper presentation.

E. SPECIAL TESTS AND PROVISIONS

Compliance Requirement

The agency must act upon any recommendations made by program site review.

Suggested Audit Procedures

- Obtain copy of program site review; and
- Determine if recommendations in the site review are being implemented.

Modified 5/02